

## 10.4 Double Materiality assessment and Stakeholder engagement

Driven by increasing attention from authorities, capital markets, clients, consumers, and employees economic, social, and ecologic sustainability is an important imperative for bpostgroup. We strive to create value for all stakeholders and aspire to understand and act upon material topics for our business and our stakeholders.

The CSRD requires companies to disclose sustainability information based on ESRS and a double materiality analysis. This analysis assesses both ways the impacts of their operations on people and the environment as well as on how sustainability matters affect them.

This independent double materiality assessment was undertaken in 2023. The outcome has shaped our corporate strategy and reporting in response to topics considered as most material.

The identification of those ESG topics was done through a robust and structured stakeholder engagement process with key internal and external stakeholders and subject matter experts. Seven topics were selected, encompassing bpostgroup's most significant impacts on ESG as well as the most significant risks and opportunities for bpostgroup.

The double materiality assessment was conducted in accordance with the European Sustainability Reporting Standards ESRS 1. It also drew inspiration from the Global Reporting Initiative (GRI 2021) guidelines and the Sustainability Accounting Standards Board (SASB) that enable organizations to provide industry-based sustainability disclosures about risks and opportunities that affect enterprise value.

In 2023, the double materiality assessment covered the value chains of BU Belgium, E-Logistics Eurasia and E-Logistics North America. The sustainability team, internal and external stakeholders provided opinions on the double materiality assessment, amounting to a list of 15 topics, classified in order of relevance. These opinions and expectations were then presented for discussion during the Board of Directors' meeting where the threshold was set following a series of considerations.

Seven topics were selected:



This process was very important in guiding bpostgroup to determine the most effective approach to improve the company's ESG performance while embedding them in the business. The outcomes of this double materiality assessment were vital in shaping the objectives outlined in the Corporate Strategic Plan. These seven topics will equally structure a roadmap to guide action across the Group.

### A structured five-step process was followed to identify bpostgroup's material topics

Step 1: Mapping the bpostgroup value chain: The analysis of the business value chain consisted of 3 scopes:

1. Upstream (materials and suppliers)
2. Own operations (including business partners and subcontractors),
3. Downstream (customers and end clients)

The goal was to map the value chain based on four key areas: 1) which entities 2) perform which type of activities 3) at which stage of the value chain, 4) affecting which type of stakeholders. By visualising precisely what occurs at each step, we were able to ensure the materiality analysis of the ESG topics, including the impacts, risks and opportunities extends to the right scope in step 2.

#### bpostgroup has five distinct value chains across three geographical business units:

1. E-commerce and Logistics (cross-border logistics, fulfilment and last mile distribution)
2. Distribution and Media
3. Retail services
4. Government services
5. Document flow management

Step 2 : Identifying Impacts, Risks and Opportunities (IRO): A comprehensive list of IRO's was created based on the information gathered during step one, and the list of sustainability matters covered in the topical ESRS 1 categorised by topics, sub-topics and sub-sub-topics.

The list of IRO's was classified into three groups: Environmental, Social and Governance topics. These topics were then placed all along the value chain to show where IROs are likely to arise, based on the nature of the activities, business relationships, geographies or other factors concerned.

Step 3: Identifying and Engaging bpostgroup's key stakeholders:

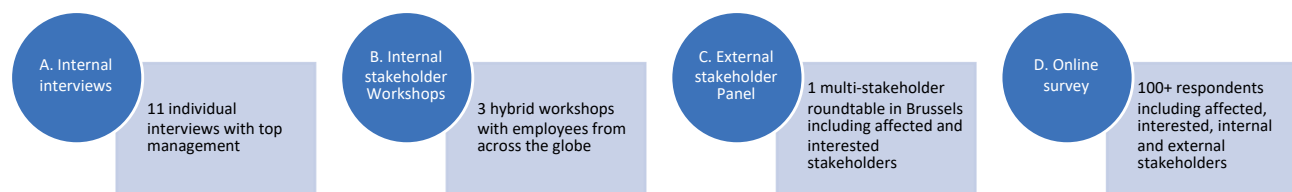
**A. Stakeholder Identification**

To identify the **affected** stakeholders, bpostgroup sustainability team and internal stakeholders considered the IRO's along the value chain: each impact was matched with the corresponding affected stakeholder category, a proxy or a representative.

To identify **information users** fitting with the financial risks and opportunities, the categories listed in the ESRS 1 were used and the corresponding organisations were added to the list of stakeholders to engage.

**B. Stakeholder Engagement:**

Affected stakeholders and information users were engaged through qualitative and quantitative means of consultation. A sequence of four parallel techniques were mobilised to gain internal and external stakeholders insights on the list of ESG topics and IRO's and increase incrementally the level of accuracy of the topics selected:



The bpostgroup stakeholder policy was set up following this exercise, with a structured process to engaging with bpostgroup stakeholders going forward.

Step 4: Setting the threshold: Based on the results of the stakeholder consultations and a thorough analysis of their input, a prioritised list of ESG topics was presented to the Board of Directors, with a suggestion of criteria to select the most material among them for strategy and reporting. Through this detailed process, bpostgroup gained a comprehensive understanding of the importance, interdependence and implications of these topics within the context of their operations.

The following considerations were taken into account to set the threshold:

- Selecting topics in line with the business strategy
- Addressing negative impacts first
- Being ambitious yet pragmatic
- Searching for a balance between Environment, Social and Governance

Seven topics passed the threshold. The criteria for prioritization of the key topics considered both time horizon perspective (short/medium/long term) and geographical perspective.

Step 5: Integration with bpostgroup's strategy

To reconcile the selection of the seven material ESG topics with the corporate strategy, a roadmap was established. It represents the first step of a future strategy and action plan that will enable bpostgroup to reach its 2030 and 2040 ESG commitments.

**bpostgroup ambition is to be a reference in sustainability in all countries we operate in**

**BPOSTGROUP IS FIRMLY COMMITTED TO FURTHER STEP UP SUSTAINABILITY EFFORTS**



bpostgroup’s ambition is to be a reference in sustainability in all markets we operate in, with a focus on seven material areas where bpostgroup can have a significant impact:

**Social**

- Health & Safety of our people first
- Champion Diversity, Equity & Inclusion across the group

**Environment**

- Decarbonize the e-commerce supply chain
- Re-use and re-cycle packaging as part of a circular economy

**Governance**

- Strengthen Due Diligence in the value chain
- Uphold responsible Business Conduct and Ethics in the workplace
- Ensure Data privacy and security of our clients and workforce

The group sustainability team is working at group level to shape and integrate the ESG ambitions further and support the businesses in execution against their targets.